



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 20-35

RESOLUTION

REQUESTING THE HAWAII CONGRESSIONAL DELEGATION TO WORK WITH THE DEPARTMENT OF HAWAIIAN HOME LANDS, THE HAWAIIAN HOMES COMMISSION, AND THE MORTGAGE INDUSTRY TO ASSIST NATIVE HAWAIIAN BENEFICIARIES OF THE HAWAIIAN HOMES COMMISSION ACT OF 1920 IN OBTAINING AND MAINTAINING HOME MORTGAGE LOANS, AND RESOLVING FORECLOSURE ISSUES .

WHEREAS, the Hawaii Admission Act of 1959 ("Hawaii Admission Act") included, as a condition of statehood, that the new State of Hawaii ("State") government would administer and be faithful to the tenets of the Hawaiian Homes Commission Act of 1920 ("HHCA"); and

WHEREAS, the HHCA established a permanent land base ("trust lands" or "Hawaiian Home Lands") for the benefit and use of native Hawaiians with 50 percent or more Hawaiian ancestry ("native Hawaiian beneficiaries"); and

WHEREAS, several of the principal purposes of the HHCA include promptly and efficiently placing native Hawaiian beneficiaries on trust lands and assuring their long-term tenancy; and

WHEREAS, the Hawaii Constitution, Article XII, Section 1, provides that the HHCA is subject to amendment or repeal with the consent of the United States or, if provided by the United States that particular provisions may be amended by the State, "in the manner required for ordinary state legislation"; and

WHEREAS, the Department of Hawaiian Home Lands ("DHHL"), the lead agency created by the State to fulfill the compact set forth in the Hawaii Admission Act, operates a loan fund and loan servicing program for home loans on trust lands which are required to comply with the provisions of the HHCA; and

WHEREAS, trust lands as defined under the HHCA are located within every county in the State; and

WHEREAS, native Hawaiian beneficiaries face challenges obtaining mortgage home loans on trust lands due to the rigorous financial qualifications, including the requirement that the mortgage loan be insured or guaranteed by the Federal Housing Administration, Department of Veterans Affairs, other federal agency, or acceptable private mortgage insurance as approved by the Hawaiian Homes Commission ("Commission"); and



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WHEREAS, the limited number of lenders willing to do business on trust lands also makes it difficult for native Hawaiian beneficiaries to secure mortgage loans; and

WHEREAS, in addition, since banks may not take ownership of homes on trust lands in foreclosure actions, certain foreclosure protections are unavailable to native Hawaiian beneficiaries, including the option to convert a non-judicial foreclosure into a judicial foreclosure, a process which was created by Act 48, Session Laws of Hawaii 2011, to protect Hawaii home loan borrowers in foreclosure actions; and

WHEREAS, furthermore, due to DHHL and Commission loan policies and procedures, as restricted by the HHCA, the DHHL is unable to provide native Hawaiian beneficiaries opportunities that are available to other Hawaii home loan borrowers in default on their loans, including loan modification, loan assumption, or pre-foreclosure sale; and

WHEREAS, the City Council believes that congressional review may be appropriate to identify institutional and systemic obstacles that hinder native Hawaiian beneficiaries from acquiring and maintaining mortgage loans and to provide recommendations on how to best address the obstacles; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it requests the Hawaii congressional delegation to work with the Hawaiian Homes Commission, the Department of Hawaiian Home Lands, and representatives of the Hawaii mortgage industry (lenders and mortgage servicers) to identify and address obstacles confronting native Hawaiian beneficiaries in obtaining home loans on Hawaiian Home Lands, and to consider the following:

1. Issues and concerns of the Hawaii mortgage industry in providing home loans to native Hawaiian beneficiaries on Hawaiian Home Lands;
2. Financial incentives and changes to the Hawaiian Homes Commission Act of 1920, or applicable administrative rules, that would encourage mortgage loan institutions to provide home loans to native Hawaiian beneficiaries on Hawaiian Home Lands;
3. Amendments to the Hawaiian Homes Commission Act of 1920 that would assist native Hawaiian beneficiaries in obtaining and maintaining home mortgage loans on Hawaiian Home Lands and in resolving issues relating to the foreclosure of such loans; and



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4. Changes to administrative rules and operating policies of the Department of Hawaiian Home Lands and the Hawaiian Homes Commission that would assist native Hawaiian beneficiaries in obtaining and maintaining mortgages on their residential Hawaiian Home Lands properties, and resolving foreclosure issues; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to Senator Brian Schatz, Senator Mazie Hirono, Representative Ed Case, Representative Tulsi Gabbard, the Mayor, the Managing Director, the Chairperson of the Hawaiian Homes Commission, the Department of Hawaiian Home Lands, and members of the Hawaii mortgage loan industry, including the Mortgage Bankers Association of Hawaii, Inc., the Hawaii Association of Mortgage Professionals, the Hawaii Association of Mortgage Brokers, and the Hawaii Bankers Association.

INTRODUCED BY:

Kym Rine

DATE OF INTRODUCTION:

FEB 5 2020

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 20-35

Introduced: 02/05/20 By: KYMBERLY PINE

Committee: EXECUTIVE MATTERS
AND LEGAL AFFAIRS

Title: RESOLUTION REQUESTING THE HAWAII CONGRESSIONAL DELEGATION TO WORK WITH THE DEPARTMENT OF HAWAIIAN HOME LANDS, THE HAWAIIAN HOMES COMMISSION, AND THE MORTGAGE INDUSTRY TO ASSIST NATIVE HAWAIIAN BENEFICIARIES OF THE HAWAIIAN HOMES COMMISSION ACT OF 1920 IN OBTAINING AND MAINTAINING HOME MORTGAGE LOANS, AND RESOLVING FORECLOSURE ISSUES.

Voting Legend: * = Aye w/Reservations

02/25/20	EXECUTIVE MATTERS AND LEGAL AFFAIRS	CR-76 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION. 6 AYES: ELEFANTE, FUKUNAGA, KOBAYASHI, MENOR, PINE, WATERS. 3 EXCUSED: ANDERSON, MANAHAN, TSUNEYOSHI.
03/18/20	COUNCIL	CANCELLED AND NOT CONSIDERED.
05/20/20	COUNCIL	CR-76 AND RESOLUTION 20-35 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI, WATERS.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.


GLEN I. TAKAHASHI, CITY CLERK


IKAIKA ANDERSON, CHAIR AND PRESIDING OFFICER